

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF OHIO
EASTERN DIVISION

OHIO SAVINGS BANK,)	CASE NO. 1:06-cv-151
d/b/a AMTRUST BANK,)	
)	JUDGE JAMES S. GWIN
Plaintiff/Counterclaim)	
Defendant,)	<u>CONSENT ORDER, FINAL JUDGMENT,</u>
)	<u>AND PERMANENT INJUNCTION</u>
v.)	
)	
AMTRUST MORTGAGE CORPORATION,)	
)	
Defendant/Counterclaim)	
Plaintiff.)	

The parties and signatories hereto hereby stipulate to the entry of this Consent Order, Final Judgment and Permanent Injunction ("Order"), to fully and completely resolve all issues raised in the above- referenced case.

RECITALS:

- A. WHEREAS, Ohio Savings Bank has since its last appearance before this Court officially changed its name to AmTrust Bank, but is referred to herein as "OSB").
- B. WHEREAS, Amtrust Mortgage Corporation is winding down its affairs.
- C. WHEREAS, First Magnus is a corporation organized and existing under the laws of the State of Arizona, has its principal place of business at 603 N. Wilmot Road, Tucson Arizona 85711, desires to participate in this Order and therefore consents to the personal jurisdiction and venue of this Court for all purposes in connection with this Order. That division of First Magnus referred to for purposes of this Agreement as the "Amtrust Division" includes solely those operations of First Magnus that are conducted by former employees of Amtrust Mortgage Corporation in facilities previously occupied by Amtrust Mortgage Corporation.

D. WHEREAS,

(1) OSB owns United States Trademark Registration No. 1462208 for **AMTRUST®** in connection with: “retail banking services provided to the general public” first used since at least as early as August 27, 1985.

(2) OSB owns United States Trademark Application Serial No. 76651544 for **AMTRUST** for “mortgage banking services, commercial banking services telephone and internet banking services, automobile financing, insurance agency, securities brokerage, residential land acquisition, development and construction lending, private equity investment, and financial services, namely, banking” first used since at least as early as 1989.

(3) OSB owns United States Trademark Application Serial No. 78609849 for **AMTRUST BANK THE POWER OF 2** for “banking services” filed April 15, 2005.

(4) OSB owns United States Trademark Application Serial No. 78801091 for **AMTRUST BANK** for “mortgage banking services, commercial banking services, telephone and internet banking services, automobile financing, insurance agency, securities brokerage, residential land acquisition, development and construction lending, private equity investment, and financial services, namely, banking” first used since at least as early as 1989.

(5) OSB owns United States Trademark Application Serial No. 78925720 for **AMTRUST DIRECT** for “on-line banking services” first used since at least as early as March 24, 2006.

(6) OSB owns United States Trademark Application Serial No. 78865532 for **AMTRUST TITLE AGENCY** for “residential real estate title agency and brokerage, namely, acting as an agent for specific title insurance underwriters in the issuance of title commitments

and title insurance policies” and “Residential real estate title services, namely, title searching; Real estate closing and settlement services” filed April 20, 2006.

(7) OSB owns Arizona Trademark Reg. No. 43840 **AMTRUST BANK**, issued March 10, 2000 in Class 37 (banking/financial services materials).

(8) OSB owns Florida Trademark Reg. No. T99313 **AMTRUST BANK** issued March 12, 1999, for “retail and commercial banking, mortgage banking and brokerage, securities brokerage and insurance services and brokerage.”

(9) OSB owns Florida Trademark Reg. No. T13060 **AMTRUST FINANCIAL SERVICES** issued June 25, 1990.

(10) OSB has a significant presence on the Internet, including at **AMTRUST.COM**, **AMTRUSTDIRECT.COM** and at numerous other domain names and URLs containing and using “**AMTRUST**.”

(11) OSB owns the trade names **AMTRUST** and **AMTRUST BANK**.

(12) OSB owns the telephone number and trademark **1-888-AMTRUST**.

(13) The foregoing trademarks, domain names, and trade names in paragraphs 1-12, each with a common element “**AMTRUST**”, comprise a “family” of marks.

(14) The foregoing trademarks, domain names, and trade names in paragraphs 1-12, each with a common element “**AMTRUST**”, are all referred to herein for purposes of this Agreement collectively as the “**AMTRUST® Marks**.”

E. WHEREAS,

(1) On or about November 10, 1994, Southern Capital Mortgage Corporation of Florida was incorporated in Georgia.

(2) On or about May 24, 1995, Southern Capital Mortgage Corporation of Florida changed its name to **Amtrust Mortgage Corporation**.

(3) Amtrust Mortgage Corporation owns Georgia Trademark Reg. No. S16817 for the mark **AMTRUST MORTGAGE CORPORATION**, issued on or about December 15, 1997, and claiming first use as early as November 15, 1994 in connection with “mortgage brokers.”

(4) Amtrust Mortgage Corporation owns the domain name **AMTRUSTMORTGAGE.NET** registered on or about April 23, 1998, which was used by it in connection with a web site to promote its financial, mortgage lending and banking services.

(5) Amtrust Mortgage Corporation owns the domain name **AMTRUST.ORG** registered on or about August 24, 1999, which was used by it in connection with a web site to promote its financial, mortgage lending and banking services.

(6) Amtrust Mortgage Corporation owns the domain name **AMTRUSTONLINE.COM**, registered on or about August 24, 1999 which was used by it in connection with a web site to promote its financial, mortgage lending and banking services.

(7) Amtrust Mortgage Corporation owns the domain name **AMTRUSTMORTGAGECORP.COM** registered which was used by it in connection with a web site to promote its financial, mortgage lending and banking services.

(8) Amtrust Mortgage Corporation owns U.S. Trademark Application No. 78774778 filed on or about December 16, 2005 for the mark **AMTRUST MORTGAGE CORPORATION** for “mortgage banking services, namely, origination, acquisition, servicing, securitization and brokerage of mortgage loans; Mortgage lending,” claiming first use as early as October 1, 1994.

(9) Amtrust Mortgage Corporation owns the trade name **AMTRUST**

MORTGAGE CORPORATION in the following states:

- | | <u>State</u> |
|-----|----------------------|
| 1. | ALABAMA |
| 2. | ALASKA |
| 3. | ARKANSAS |
| 4. | CALIFORNIA |
| 5. | COLORADO |
| 6. | DISTRICT OF COLUMBIA |
| 7. | GEORGIA |
| 8. | HAWAII |
| 9. | ILLINOIS |
| 10. | MICHIGAN |
| 11. | MINNESOTA |
| 12. | MISSISSIPPI |
| 13. | NEW JERSEY |
| 14. | NEW MEXICO |
| 15. | OHIO |
| 16. | OKLAHOMA |
| 17. | OREGON |
| 18. | SOUTH CAROLINA |
| 19. | TENNESSEE |
| 20. | WASHINGTON |

(10) The foregoing trademarks, domain names, and trade names in paragraphs 1-9, each with a common element “AMTRUST” are referred to herein for purposes of this Agreement collectively as the “**Amtrust Mortgage Corporation Names and Marks.**”

F. Amtrust Mortgage Corporation and First Magnus represent and warrant that they have provided OSB a list of all trademarks, trade names, and domain names of which they are aware that are owned or controlled by them, their officers, directors, employees, agents, representatives, licensees, subsidiaries or subordinates, which use the term or mark “AMTRUST” or any derivative thereof.

G. WHEREAS, on January 20, 2006, OSB filed a Complaint in this case against Amtrust Mortgage Corporation in this Court asserting (among other things) claims for trademark infringement, unfair competition, dilution, cybersquatting and related state law claims.

H. WHEREAS, on August 4, 2006, OSB and Amtrust Mortgage Corporation entered into a Partial Settlement Agreement that settled all claims relating to or arising from the specific mortgage loans identified in Counts VII through XXII of OSB's Second Amended Complaint in this case, which Partial Settlement Agreement is not incorporated herein.

I. WHEREAS, on August 14, 2006, OSB filed a Third Amended Complaint in this case.

J. WHEREAS, on August 29, 2006, Amtrust Mortgage Corporation filed an answer denying the material allegations of OSB's Complaint; and Amtrust Mortgage Corporation filed an Amended Counterclaim against OSB, seeking cancellation of OSB's Reg. No. 1,462,208 **AMTRUST®**, a declaration of fraud on the PTO by OSB, a declaration of non-infringement by Amtrust Mortgage Corporation, a declaration of Amtrust Mortgage Corporation's superior rights, and alleging against OSB false designation of origin and cybersquatting (collectively the "Amended Counterclaim").

K. WHEREAS, on March 9, 2007, OSB and Amtrust Mortgage Corporation settled in principle the disputes described in the pleadings in this case, and wish the Court to enter in this Order certain specific non-confidential terms of a confidential written settlement agreement settlement entered into between OSB, Amtrust Mortgage Corporation, and First Magnus.

L. WHEREAS, the settlement entered into between OSB, Amtrust Mortgage Corporation, and First Magnus was solely for the purpose of avoiding the cost of litigation of this case, and neither the settlement of this dispute nor anything contained herein shall be construed

to be at any time or any place an admission of liability, fault, or wrongdoing on the part of any party or signatory hereto.

ORDERED, ADJUDGED AND DECREED as follows:

1. This Court has jurisdiction over the entire subject matter of this action as set forth in OSB's Third Amended Complaint and in Amtrust Mortgage Corporation's Amended Counterclaim. Personal jurisdiction exists in this Court over all parties and signatories hereto, and venue is proper in this Court as to all parties and signatories hereto.

2. OSB's Third Amended Complaint is hereby dismissed, with prejudice.

3. Amtrust Mortgage Corporation's Amended Counterclaim is hereby dismissed, with prejudice.

4. Amtrust Mortgage Corporation and First Magnus sell, transfer and irrevocably assign to OSB all rights, title and interest, if any, now and in the future, in and to the **Amtrust Mortgage Corporation Names and Marks**, and in and to any and all trademarks, service marks, applications, registrations, trade names, or domain names, created, possessed, owned, controlled, or used by Amtrust Mortgage Corporation or First Magnus, their employees, officers, directors, loan officers, mortgage brokers, agents, or others under its custody, direction or control, containing the term, designation or word **AMTRUST**, and any substantially colorable imitations thereof likely to cause trademark dilution or consumer confusion, deception, or mistake, together with the entire goodwill associated therewith and symbolized and represented by the all of the foregoing, and symbolized and represented by the present and future customers of Amtrust Mortgage Corporation and First Magnus which represent in part the goodwill assigned and transferred herein, together with all common law and state, federal, and foreign

rights therein and associated therewith, and the full rights to enforce and recover for past or future infringements or damages related to enforcement thereof. Amtrust Mortgage Corporation and First Magnus shall promptly execute all documents as whenever requested and provided by OSB to perfect or record any such assignments or transfers, at no future cost to OSB.

5. Amtrust Mortgage Corporation and First Magnus shall within five (5) days after the effective date of their confidential written settlement agreement expressly withdraw from the U.S. Patent and Trademark Office, Trademark Trial and Appeal Board, with prejudice, and without the consent of OSB, the Petition to Cancel in TTAB Proceeding No. 92045252 against Reg. No. 1462208, and the Notice of Opposition in TTAB Proceeding No. 91174913 against Application Serial No. 76651544. Amtrust Mortgage Corporation and First Magnus further shall within five (5) days after the effective date of their confidential written settlement agreement withdraw with prejudice and without consent of OSB any other actions and oppositions they may have filed against OSB applications for marks containing the term **AMTRUST**, notify the U.S. Patent and Trademark Office that they withdraw from participation in all applications relating to the **AMTRUST® Marks**, and request that any stay or suspension concerning applications relating to the **AMTRUST® Marks** be lifted, with a copy of each filing to OSB.

6. Within five (5) days after all of: (i) the final execution and delivery by Amtrust Mortgage Corporation and First Magnus to OSB of their confidential written settlement agreement, (ii) the final execution and delivery by Amtrust Mortgage Corporation and First Magnus to OSB of all attachments to their written settlement agreement, (iii) the filing by Amtrust Mortgage Corporation/First Magnus of the withdrawal of the Petition to Cancel and delivery of a copy of the same to OSB, (iv) the filing by Amtrust Mortgage Corporation/First Magnus of the withdrawals of all actions and oppositions against the **AMTRUST® Marks** and

delivery of copies of the same to OSB, (v) the filings by Amtrust Mortgage Corporation/First Magnus at the U.S. Trademark Office to lift all stays or suspensions concerning applications relating to the **AMTRUST® Marks** stayed or suspended as a result of the acts or trademarks of Amtrust Mortgage Corporation and the filing and delivery of all other papers required to be sent or filed under the confidential written settlement agreement, (vi) and the final approval, entry, and filing by the Court of this Order, then OSB shall send Amtrust Mortgage Corporation a payment in the full amount agreed to by OSB and Amtrust Mortgage Corporation as set forth in the case record.

7. OSB shall in a separate non-confidential license agreement grant a license back to Amtrust Mortgage Corporation and First Magnus, to use the **Amtrust Mortgage Corporation Names and Marks**, and to use any other trademarks, service marks, trade names, or domain names, assigned by Amtrust Mortgage Corporation and First Magnus to OSB, but only in connection with identical uses by Amtrust Mortgage Corporation that existed on March 9, 2007, and only for a limited term that expires on January 1, 2009. The specific terms of the license as agreed upon by the parties and signatories hereto shall be set forth in a separate non-confidential license agreement. Notwithstanding the foregoing, as part of this Order, during the term of the license period Amtrust Mortgage Corporation and First Magnus shall provide a noticeable disclaimer on all of their home pages of their web sites indicating they are not affiliated or associated with OSB, and providing a link to the OSB web site at AMTRUST.COM. The language of the web site disclaimer shall be as follows and appear in at least 10 point font:

THIS WEB SITE AND AMTRUST MORTGAGE CORPORATION ARE NOT AFFILIATED WITH OR RELATED TO AMTRUST® BANK. IF YOU ARE LOOKING FOR AMTRUST® BANK, PLEASE CLICK [HERE](#) OR CALL 1-888-AMTRUST.

8. Before January 2, 2009, Amtrust Mortgage Corporation and First Magnus and all of their officers, directors, owners, loan officers, mortgage brokers, agents, servants, employees, representatives, parents, subsidiaries, divisions, licensees, affiliates, contractors, subcontractors, distributors (owned or contractually obligated to Amtrust Mortgage Corporation or First Magnus), related companies, related persons, successors, assigns, and those acting under Amtrust Mortgage Corporation's and First Magnus' direction and control, shall, as set forth below in (a) – (e):

(a) Stop and refrain from any use, display, sale, advertising, marketing, promotion, distribution, disseminating, communicating, reproduction, copying, imitating, application, licensing, and registration, whatsoever, in connection with any goods, services, or activities whatsoever, of: (i) the word or term **AMTRUST**; (ii) the **Amtrust Mortgage Corporation Names and Marks**; and (iii) any similar derivations, variations, or colorable imitations of the foregoing likely to cause any trademark dilution or likely to cause any consumer confusion, deception, or mistake.

(b) Forfeit and destroy, or to make available to Harry Cornett, Esq., counsel for OSB, all tangible things (defined as things possible to touch), products, goods, items, documents, web sites, chattel, displays, advertisements, printed matter, literature, signs, letterhead, business cards, or records, used for advertising, marketing, soliciting, and promotional related purposes, in their possession, custody, or control (but excluding any loan origination documents or award plaques) bearing, using, or containing any of: (i) the word or term **AMTRUST**; (ii) the **Amtrust Mortgage Corporation Names and Marks**; or (iii) any similar derivations, variations, or colorable imitations of the foregoing likely to cause any trademark dilution or likely to cause any consumer confusion, deception, or mistake.

(c) Perfect the transfer and assignment to OSB of the domain names **AMTRUST.ORG**, **AMTRUSTMORTGAGE.NET**, **AMTRUSTONLINE.COM**, **AMTRUSTMORTGAGECORP.COM**, and any similar domain names owned, registered, or controlled by Amtrust Mortgage Corporation or First Magnus or their officers, directors, loan officers, mortgage brokers, employees, agents, contractors or subcontractors, that contain **AMTRUST**, and/or any similar derivations, variations, or colorable imitations of **AMTRUST** likely to cause any trademark dilution or to cause any confusion or mistake or to deceive, and to take all steps and perform all acts necessary with the registrars to effectuate the same, at no cost to OSB. Before January 2, 2009, any renewals or fees for any of the foregoing domain names shall be the responsibility and obligation of Amtrust Mortgage Corporation and First Magnus at their own expense.

(d) Dissolve, terminate, or change the trade names, licenses, and trademarks of all Amtrust Mortgage Corporation and First Magnus owned, controlled, or operated businesses, companies, entities, agents, or organizations that contain in the name, owner name, licensor name, or licensee name thereof or use as the trademark thereof, (i) the word or term **AMTRUST**; (ii) the **Amtrust Mortgage Corporation Names and Marks**; and/or (iii) any similar derivations, variations, or colorable imitations of **AMTRUST** likely to cause any trademark dilution, or to cause any consumer confusion, deception, or mistake; and to in each case allow OSB to approve in writing and in advance any such name change or trademark change, before commencing use of the same, such approval not to be unreasonably withheld.

(e) Not again in the future use, display, sell, advertise, market, promote, license, distribute, create, produce, manufacture, traffic in, ship, disseminate, communicate, and register, or attempt to register: (i) the word or term **AMTRUST**; (ii) the **Amtrust Mortgage**

Corporation Names and Marks; or (iii) any similar derivations, variations, or colorable imitations of **AMTRUST** likely to cause any trademark dilution or likely to cause any consumer confusion, deception, or mistake.

9. Amtrust Mortgage Corporation and First Magnus shall never take any action challenging or opposing, making a claim of rights for, or assisting any other party in challenging or opposing, or making any claim of rights for, on any grounds whatsoever, OSB's ownership, rights, title, use, or registration of: (i) the word or term **AMTRUST**; (ii) the **Amtrust Mortgage Corporation Names and Marks**; (iii) any of the **AMTRUST® Marks** that Amtrust Mortgage Corporation has already opposed, challenged, sought to cancel or objected to prior to the Effective Date of this Agreement, (iv) the "**AMTRUST**" word, portion, or element of any of the **AMTRUST® Marks** or (v) any substantially similar derivations, variations, or colorable imitations of the foregoing, in whole or in part likely to cause any trademark dilution, or likely to cause any consumer confusion, deception, or mistake.

10. Amtrust Mortgage Corporation and First Magnus consent to the use and registration by OSB of all trademarks, trade names, service marks, and domain names, containing or relating to the term **AMTRUST**, for all goods and services, and will issue a letter of consent to the same or for any such application or registration, at OSB's expense, upon the request of OSB. All such letters of consent by Amtrust Mortgage Corporation and/or First Magnus shall specify in detail the reasons for the consent and why no likelihood of confusion exists or why the OSB application or registration should otherwise be allowed.

11. Each party in this case and signatory of this Order shall be responsible for payment of its own attorneys fees and costs incurred in connection with the issuance of this Order and the settlement of this case.

12. The Court retains jurisdiction over this case and the parties and the signatories hereto, to enforce the terms of this Order. In the event that any further litigation is necessary to enforce or interpret the rights, duties or restrictions contained in this Order, the prevailing party shall be entitled to recover its attorneys fees incurred at all levels of such proceedings.

WE ACKNOWLEDGE, UNDERSTAND, AND AGREE TO THIS:

AMTRUST MORTGAGE CORPORATION

Dated: 21 Jun 07

Signed: 

Name: Richard B. Corbett

Title: CR O

**OHIO SAVINGS BANK
AMTRUST BANK**

Dated: 7-6-07

Signed: 

Name: GERALD G. OBERBERG

Title: CCB

**FIRST MAGNUS FINANCIAL
CORPORATION**

Dated: _____

Signed: _____

Name: _____

Title: _____

12. The Court retains jurisdiction over this case and the parties and the signatories hereto, to enforce the terms of this Order. In the event that any further litigation is necessary to enforce or interpret the rights, duties or restrictions contained in this Order, the prevailing party shall be entitled to recover its attorneys fees incurred at all levels of such proceedings.

WE ACKNOWLEDGE, UNDERSTAND, AND AGREE TO THIS:

AMTRUST MORTGAGE CORPORATION

Dated: _____

Signed: _____

Name: _____

Title: _____

**OHIO SAVINGS BANK
AMTRUST BANK**

Dated: 7-6-07

Signed: 

Name: GERALD GOLDBERGER

Title: ECB

**FIRST MAGNUS FINANCIAL
CORPORATION**

Dated: 06-25-07

Signed: 

Name: KARL F.W. YOUNG

Title: C.O.O.

IT IS SO ORDERED on this 11th day of July, 2007.

s/ James S. Gwin

JUDGE JAMES S. GWIN
United States District Judge